

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION	)	
On its own motion	)	
	)	Docket No. 00-0596
Revise of 83 Ill. Adm. Code 730	)	

**NOTICE OF FILING**

**PLEASE TAKE NOTICE** that on this date, December 5, 2001, we filed with the Chief Clerk of Illinois Commerce Commission the enclosed Rebuttal Testimony of Charlotte Ter Keurst on behalf of the People of the State of Illinois and the Citizens Utility Board on behalf of the People of the State of Illinois via e-docket.

\_\_\_\_\_  
Susan L. Satter  
Assistant Attorney General

**CERTIFICATE OF SERVICE**

**I, Susan L. Satter, an Assistant Attorney General, hereby certify that I caused to be served the above identified documents upon all active parties of record on the attached service list by electronic mail on December 5, 2001 and by U.S. Mail to all parties.**

\_\_\_\_\_  
Susan L. Satter  
Assistant Attorney General

Susan L. Satter  
Illinois Attorney General's Office  
100 West Randolph Street, 11<sup>th</sup> Floor  
Chicago, Illinois 60601  
(312) 814-1104

REBUTTAL TESTIMONY OF CHARLOTTE F. TERKEURST

ON BEHALF OF THE CITIZENS UTILITY BOARD  
AND THE PEOPLE OF THE STATE OF ILLINOIS

BEFORE THE ILLINOIS COMMERCE COMMISSION

ICC Docket No. 00-0596

December 5, 2001

TABLE OF CONTENTS

I. Introduction and Summary..... 1

II. Out of Service Over 24 Hours ..... 2

III. Trouble Reports ..... 3

IV. Network Interface Devices ..... 4

V. Reporting ..... 11

VI. Penalties ..... 12

1     ***I.       Introduction and Summary***

2     Q.       PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

3     A.       My name is Charlotte F. TerKeurst. I am a Senior Vice President of Competitive  
4     Strategies Group, Ltd. (CSG). My business address is 70 East Lake Street, 7<sup>th</sup> Floor, Chicago,  
5     Illinois 60601.

6     Q.       ARE YOU THE SAME CHARLOTTE F. TERKEURST WHO SUBMITTED DIRECT  
7     TESTIMONY ON BEHALF OF THE CITIZENS UTILITY BOARD AND THE PEOPLE OF  
8     THE STATE OF ILLINOIS (CUB/AG) IN THIS PROCEEDING?.

9     A.       Yes, I am.

10    Q.       PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING.

11    A.       In response to other parties' direct testimony, I make the following recommendations, for  
12    reasons explained in this rebuttal testimony:

13  
14       The inability to receive calls should be counted as an out-of-service condition in  
15       assessing a carrier's compliance with the out-of-service over 24 hours standard.

16  
17       A carrier's compliance with the repeat trouble report rate standard should be  
18       measured on a monthly basis.

19  
20       Carriers should be required to comply with the existing requirement that they  
21       install network interface devices (NIDs) by 2002. The rule should specify that, in  
22       situations where both an external NID and an internal NID may be installed, the  
23       carrier's network responsibilities extend to the internal NID unless the carrier  
24       chooses to remove it.

25  
26       Reporting requirements should not be relaxed.

27  
28       The rule should not be modified to require that, when considering appropriate  
29       fines, penalties, or other enforcement mechanisms, the Commission consider a  
30       carrier's diligence in attempting to comply with the rule. The rule should mirror  
31       the language of the new Section 13-712 of the Public Utilities Act regarding

1 consideration of the relative harm that a service quality failure causes for the  
2 affected customer or other users of the network.

3 **II. Out of Service Over 24 Hours**

4  
5 Q. PLEASE RESPOND TO VERIZON'S RECOMMENDATION THAT THE INABILITY  
6 TO RECEIVE CALLS NOT BE CONSIDERED AN OUT-OF-SERVICE CONDITION.

7 A. The inability to receive calls is a serious out-of-service condition that should be given  
8 priority repair treatment. Verizon suggests that consumers who cannot make calls are at more of  
9 a disadvantage than consumers who cannot receive calls. It argues that the need to restore  
10 service so consumers can *place* calls of an "urgent nature" is more important than restoring  
11 service so consumers can *receive* calls of an "urgent nature." When consumers order and pay for  
12 telephone service, they expect to both place and receive calls, and they are entitled to rely on  
13 prompt repair of any condition that causes either the inability to receive calls or the inability to  
14 make calls. The inability to receive calls may be more insidious and dangerous than the inability  
15 to place calls because neither the calling party nor the called party may know of the out-of-service  
16 condition. Someone unable to complete a call may, at the least, draw worrisome conclusions,  
17 such as that an elderly or disabled person has become unable to answer a phone that apparently  
18 rings and rings with no response. At the worst, the inability to reach someone can have life-  
19 threatening consequences for either the calling party or the person who cannot receive calls.  
20 Although Verizon proposes that "immediate, preferential, and expedited restoral" be afforded  
21 only to customers who have lost all service, the inability to receive calls is equally serious and  
22 requires the same preferential treatment. As a result, Verizon's proposed limitation should not be  
23 accepted.

1 Q. HAS VERIZON'S LIMITED DEFINITION OF OUT-OF-SERVICE AFFECTED ITS  
2 REPORTING OF COMPLIANCE WITH THE OUT-OF-SERVICE OVER 24 HOURS  
3 REQUIREMENT?

4 A. Yes. Verizon's proposed exclusion of the inability to receive calls is consistent with the  
5 way it currently calculates its out-of-service performance. Thus, Verizon under-reports the rate at  
6 which it fails to restore service within 24 hours. This shortcoming prevents a determination of  
7 whether Verizon has complied with the requirement and also prevents a comparison of Verizon's  
8 performance with that of other carriers. Verizon's practice underscores the need for the rules to  
9 be as specific as possible regarding the manner in which the carriers measure and report the  
10 required service quality standards.

11 **III. Trouble Reports**

12  
13 Q. PLEASE RESPOND TO THE RECOMMENDATION OF CITIZENS  
14 TELECOMMUNICATIONS COMPANY THAT THE PERCENTAGE OF REPEAT  
15 TROUBLE REPORTS BE MEASURED ON AN ANNUAL BASIS RATHER THAN  
16 MONTHLY (RUHLAND TESTIMONY AT 11-12).

17 A. As I understand Citizens' concern, a carrier could fail to meet the monthly repeat trouble  
18 rate standard even if the actual number of repeat trouble reports is lower than in another month  
19 when it meets the standard. However, the fact that there may be month-to-month variations in  
20 the number of total trouble reports does not warrant the use of a yearly standard rather than a  
21 monthly standard. The repeat trouble report measurement is structured as a percentage of total  
22 trouble reports to ensure that those customers who have experienced trouble have a reasonable

1 assurance that the company will correct the trouble the first time. A customer expects that his/her  
2 trouble will be corrected the first time, regardless of the number of other trouble reports by other  
3 customers in a particular month.

4 A similar concept exists in the structure of the out-of-service over 24 hours service quality  
5 measure. The out-of-service standard is based on the percentage, not the total number, of out-of-  
6 service conditions that are restored within 24 hours. The goal is that at least 95 percent of out-of-  
7 service conditions each month be restored within 24 hours, regardless of the total number of out-  
8 of-service conditions that may occur within that month. The company is expected to maintain  
9 sufficient resources to meet this standard regardless of month-to-month variations (other than  
10 emergency conditions and other exclusions). It is also reasonable to require the companies to  
11 consistently correct troubles (which include both out-of-service and less severe troubles) the first  
12 time. As a result, Citizens' recommendation should not be adopted.

#### 13 ***IV. Network Interface Devices***

14  
15 Q. PLEASE EXPLAIN YOUR UNDERSTANDING OF AMERITECH ILLINOIS' AND  
16 IITA'S RECOMMENDATIONS REGARDING THE PROPOSED REQUIREMENT THAT  
17 CARRIERS INSTALL EXTERNAL NETWORK INTERFACE DEVICES (NIDs) FOR ALL  
18 ONE- AND TWO-LINE CUSTOMERS IN SINGLE TENANT RESIDENCE AND  
19 COMMERCIAL BUILDINGS BY DECEMBER 31, 2002 (SECTION 730.335(a)).

20 A. Ameritech Illinois proposes that the rule be modified to require only that a carrier install  
21 external NIDs when it is performing work at a premises lacking a NID and "extreme work  
22 conditions" do not exist, or upon request. Ameritech Illinois also proposes that the rule be

1 modified to recognize that the Commission has “grandfathered” certain internally installed NIDs  
2 (AI Ex. 1.0 at 7 and AI Ex. 2.0 at 3). IITA recommends similarly that carriers be required to  
3 install NIDs only in connection with all new service installations and at any time a trouble report is  
4 received regarding a customer location at which a NID has not yet been installed (Hendricks  
5 Testimony at 3-4).

6 Q. SHOULD THE REQUIREMENT THAT CARRIERS INSTALL NIDs FOR ALL ONE-  
7 AND TWO-LINE CUSTOMERS IN SINGLE TENANT RESIDENCE AND COMMERCIAL  
8 BUILDINGS BY DECEMBER 31, 2002 BE RELAXED AS THESE PARTIES  
9 RECOMMEND?

10 A. No. Contrary to their recommendations, the rule should require that carriers install NIDs  
11 by December 31, 2002, consistent with the current requirements. It may be reasonable to modify  
12 the rule to reflect the “grandfathered” internal NIDs, but only if such an exception is not used to  
13 justify a delay in the deadline for installing NIDs on a ubiquitous basis for all customers.

14 The carriers have been under an obligation since September 1987 to install NIDs on a  
15 universal basis. This was required by the Commission’s Third Interim Order in Docket 86-0278  
16 (Attachment A to AI Ex. 2.0), with the deadline extended to 2002 by the Commission’s July 6,  
17 1995 Order in Docket 94-0431 (CUB/AG Exhibit 2.1 attached to this rebuttal testimony). The  
18 1995 Order approved a stipulation in which the Illinois Telephone Association (representing all  
19 incumbent local exchange carriers) agreed to an extension that would require all NIDs to be  
20 installed by 2002, and agreed that annual reports would be filed indicating the total number of  
21 installed NIDs as well as the number of NIDs installed each year. Fourteen years after the  
22 Commission first required that NIDs be installed, the carriers should take whatever steps are

1 needed in order to finally complete what they have been under an obligation to do all along, and  
2 within the deadline contained in their signed stipulation.

3 Q. HAVE AMERITECH ILLINOIS AND IITA EXPLAINED WHY THEY HAVE  
4 NOT INSTALLED NIDS UBIQUITOUSLY THROUGHOUT THEIR SERVICE  
5 TERRITORIES?

6 A. No. Neither Ameritech Illinois nor IITA explains why the Commission's 1987 and 1995  
7 orders have not been followed. They do not explain whether steps were ever taken toward  
8 compliance with the requirement of ubiquitous NID installation or, if so, why progress was halted.

9  
10 It does not appear that the carriers are taking steps to meet the current deadline of  
11 December 31, 2002. Ameritech Illinois states that its approach "has been to install new external  
12 NIDs whenever a technician is dispatched to a location without a NID (installation or repair),  
13 except under extreme workload conditions" (AI Ex. 1.0 at 7). Ameritech Illinois states that "A  
14 program to install new external NIDS in all locations *would* be ...expensive and...*would* unduly  
15 burden the network installation and repair force" (AI Ex. 1.0 at 8, emphasis added.), implying that  
16 Ameritech Illinois is not undertaking such a program at this time. Similarly, IITA states that most  
17 small carriers have begun installing NIDs, but that they contemplate installing NIDs as it is  
18 "economically feasible," asserting that it would be cost prohibitive to do so by December 31,  
19 2002 (Hendricks Testimony at 3).

20 Q. WHAT IS THE PURPOSE AND SIGNIFICANCE OF INSTALLING NIDS AT ALL  
21 CUSTOMER LOCATIONS?

22 A. The NID marks the end of the regulated telephone company network and the beginning of

1 the unregulated inside wire. The Commission found, when it ordered carriers to undertake the  
2 NID program over fourteen years ago, that the installation of NIDs is beneficial so that consumers  
3 know the exact point where carrier responsibility for wiring commences and so that they have a  
4 readily accessible test point for the determination of service problems (Third Interim Order at 3).

5  
6 Another important benefit of NIDs is that they facilitate customer choice in obtaining  
7 inside wiring services and act to mitigate the inherent advantage that the local telephone company  
8 has retained as the provider of the regulated network. With a NID, a customer can diagnose a  
9 service outage and determine whether it is due to network problems, which require telephone  
10 company intervention, or due to inside wiring or customer premises equipment problems, which  
11 the customer could attend to independently or through the use of alternative repair options.  
12 Without a NID, a customer has no way of knowing the source of a service outage. Without a  
13 NID, a customer must go to the trouble and delay of arranging a premises visit to determine  
14 where the problem lies. If an Ameritech Illinois service technician determines the problem is with  
15 the inside wiring, many customers will choose to have the service technician go ahead and repair  
16 the inside wiring rather than suffer the additional delay and inconvenience of arranging alternative  
17 repairs. Customers may end up paying more, and competition is stymied.

18 While highly unlikely, a customer without a NID could choose to have a company other  
19 than Ameritech Illinois do the initial diagnosis. If the problem turns out to be in the Ameritech  
20 Illinois network, the customer may have to pay for the independent diagnostic visit and would still  
21 have to arrange for Ameritech Illinois repair service. Because of this possible additional cost and  
22 inconvenience, customers are much more likely to call Ameritech Illinois rather than an

1 independent contractor when service conditions arise that the customer cannot diagnose due to  
2 lack of a NID.

3 Another anticompetitive impact that arises due to the lack of ubiquitous NIDs is that  
4 customers may be more likely to purchase Ameritech Illinois' inside wire maintenance plan, since  
5 they cannot diagnose inside wiring problems independently.

6 For all of these reasons, it is important that the Commission hold fast on the already-  
7 extended deadline for NID installations.

8 Q. IS IT REASONABLE FOR THE ILEC TO WAIT TO INSTALL A NID UNTIL AN  
9 END USER OR A CLEC SERVING AN END USER REQUESTS THE INSTALLATION?

10 A. No. Realistically, a requirement that the end user affirmatively request a NID installation  
11 would mean that, for most end users, no NID would be installed until a problem arises. While  
12 some end users may request a NID installation before an occasion arises when a NID is needed,  
13 most customers would not be that knowledgeable or show that much foresight. Most end users  
14 would wait until a NID is needed, i.e., if service problems arise or if inside wire work is planned.  
15 As discussed above, in such situations, the lack of a pre-existing NID can inconvenience  
16 customers and greatly increases the likelihood that the end user would use the carrier's inside wire  
17 services. The carrier's failure to install NIDs before they are needed means that the carrier uses  
18 its control of the regulated telecommunications network to increase its market power in the  
19 unregulated, and supposedly competitive, inside wiring market as well. This is anticompetitive  
20 and, by depriving customers of the ability to choose on a level playing field among inside wire  
21 service options on the basis of factors such as price and quality, deprives customers of  
22 meaningful, possibly less expensive alternatives.

1 Q. PLEASE COMMENT ON THE REASONS AMERITECH ILLINOIS GIVES FOR  
2 OPPOSING A UBIQUITOUS NID INSTALLATION REQUIREMENT.

3 A. Ameritech Illinois cites several “practical reasons” why it opposes a ubiquitous NID  
4 installation requirement, including customer inconvenience and privacy concerns, the lack of  
5 discernible benefit to customers, and the expense and burden to Ameritech Illinois (AI Ex. 1.0 at  
6 7-8). Ameritech Illinois also states that company records do not indicate which premises lack  
7 NIDs and that an exterior visual inspection would not identify an internal NID (AI Ex. 1.0 at 8-9).  
8 None of these concerns are compelling justifications for delaying NID installations.

9 Since most, if not all, external NID installations would not require the customer’s  
10 presence, the customer inconvenience and privacy factors cited by Ameritech Illinois would be  
11 nonexistent for most, if not all, customers. The alleged privacy concerns are not compelling in  
12 themselves either, since customers are accustomed to uniformed service personnel being on their  
13 premises, e.g., for routine electric, gas, and water meter reading and, for that matter, for daily  
14 mail delivery. Further, the fact that some customers may not be aware of the uses or benefits of  
15 NIDs is no justification for depriving them of those benefits.

16 Ameritech Illinois’ assertion that it would have to enter every location where no external  
17 NID is present to determine whether there is an internal NID shows a lack of meaningful  
18 recordkeeping and ignores remote testing capabilities. Customers should not be deprived of the  
19 benefits of NIDs because Ameritech Illinois has failed to maintain proper records, despite a  
20 fourteen year standing requirement that NIDs be installed. Further, the existence of some types  
21 of NIDs can be determined through remote testing from the central office. If Ameritech Illinois  
22 cannot identify an internal NID remotely, it can simply install an external NID without regard to

1 whether there is an internal NID. I am not aware of any adverse consequences of having both an  
2 external NID and an internal NID on a line. I recommend that the Commission specify that, in  
3 situations where both an external NID and an internal NID may be installed, the carrier's network  
4 responsibilities extend to the internal NID unless the carrier chooses to remove it.

5 Q. DO YOU HAVE ANY COMMENTS ON AMERITECH'S CLAIM THAT THE  
6 EXPENSE AND BURDEN OF INSTALLING NIDS JUSTIFY DELAY OR NON-  
7 COMPLIANCE?

8 A. Ameritech Illinois' complaints regarding the expense and burdens of installing NIDS do  
9 not justify further delay or non-compliance. The carriers have been on notice for over 14 years of  
10 the Commission's directive and have had ample opportunity to schedule the additional work in a  
11 manner that would not impose on their ability to meet other service obligations. While Ameritech  
12 Illinois may wish to avoid the expense of NID installation now that it is a price cap company, it  
13 had the opportunity to incur the NID expenses during its years of traditional regulation but  
14 apparently chose not to implement the Commission order at that time either. The expenses that  
15 will now be required should be of no consequence as the Commission considers, for the third  
16 time, the NID installation requirement

17 Q. IS IT REASONABLE TO ALLOW A CARRIER TO NOT INSTALL A NID DUE TO  
18 "EXTREME WORKLOAD CONDITIONS" AS PROPOSED BY AMERITECH ILLINOIS?

19 A. No. Ameritech Illinois states that its approach "has been to install new external NIDs  
20 whenever a technician is dispatched to a location without a NID (installation or repair), except  
21 under extreme workload conditions" (AI Ex. 1.0 at 7). Ameritech Illinois did not specify what it  
22 considers to be "extreme workload conditions," or how often it has not installed NIDs during

1 premises visits as a result of such alleged conditions. Ameritech Illinois' proposal would further  
2 delay the benefits of ubiquitous NID installations by allowing an ambiguous exemption that could  
3 be claimed at the carrier's or the individual technician's discretion.

4  
5 I can report anecdotally that Ameritech Illinois did not install a NID during the installation  
6 premises visit to my residence in August 1998. Only when my residence had service problems in  
7 the summer of 2000 did I realize that there was no NID. During the resulting premises visit, the  
8 Ameritech Illinois technician completed the needed work (which was not related to the inside  
9 wiring) but still did not install a NID. As he prepared to depart, I asked him to install a NID and  
10 he delayed his departure to do so. The installation took only a few minutes. While Ameritech  
11 Illinois may claim extreme workload conditions because of the widespread service problems  
12 during the summer of 2000, I am not aware of any possible justification for Ameritech Illinois'  
13 failure to install a NID during the installation premises visit in 1998.

14 If the Commission is inclined to allow a carrier to avoid NID installations due to "extreme  
15 workload conditions," it should at least specify that a carrier must demonstrate to the Commission  
16 ahead of time that "extreme workload conditions" exist and obtain Commission approval to defer  
17 NID installations on that basis.

## 19 **V. Reporting**

20  
21 Q. PLEASE COMMENT ON IITA'S POSITION REGARDING THE REPORTING  
22 REQUIREMENTS IN THE PROPOSED RULE.

1 A. IITA states that there is no basis for concluding that the additional reporting requirements  
2 will have “any effect on carriers’ service quality” and that the reporting requirements are arbitrary.  
3 (Hendricks Testimony at 5.) I do not agree. The Commission’s part 730 has required carriers to  
4 maintain data on their service quality performance for years, and the reporting changes contained  
5 in the Staff’s draft reflect the changes adopted by the General Assembly in the new section 13-712  
6 of the Public Utilities Act. Further, in order to ensure that service quality is maintained at a  
7 sufficient level, data must be maintained to allow the carrier, the Commission and the public to  
8 monitor performance. Finally, contrary to IITA’s position, public disclosure and reporting  
9 encourage accountability and lead to better performance. For these reasons, IITA’s  
10 recommendation that reporting requirements be relaxed should not be adopted.

11 **VI. Penalties**

12  
13 Q. PLEASE RESPOND TO VERIZON’S PROPOSED MODIFICATIONS TO SECTION  
14 730.120.

15 A. Verizon recommends that section 730.120 be modified to require the Commission to  
16 consider “the diligence of the carrier in attempting to comply with the provisions of this part,” in  
17 addition to the minimum considerations required by section 13-712 of the Public Utilities Act, in  
18 determining the appropriate fines, penalties, or other enforcement mechanisms for failure to meet  
19 the service quality rules. I recommend that this language not be added. The focus of the rule  
20 should be on results, not on a subjective view of a carrier’s efforts to meet the established  
21 standards. Whether a carrier was “diligent” is not as important as whether the carrier actually  
22 provided reliable service. Many of the service quality measurements already provide exclusions to

1 eliminate the effect of extraneous situations or extraordinary demands on the carrier's resources,  
2 e.g., emergency situations or lack of access to the property (see sections 730.535, 730.540, and  
3 730.545). Further, the statute and the rule as drafted allow the Commission to consider factors in  
4 addition to those specified in the statute. Thus, the Commission may consider a carrier's efforts if  
5 and to the extent it deems them to be relevant.

6 Verizon recommends that the phrase "or other users of the network" be deleted from the  
7 requirement that the Commission consider the relative harm that a service quality failure causes  
8 "the affected customer or other users of the network." However, that phrase should be retained,  
9 because it mirrors the language of the new Section 13-712 of the Public Utilities Act.

10  
11 Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY IN THIS  
12 PROCEEDING?

13 A. Yes, it does.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Illinois Telephone Association :  
:   
Petition to Vacate Certain : 94-0431  
Provisions of the Third Interim :  
Order in Docket 86-0278. :

ORDER

By the Commission:

On October 24, 1994, the Illinois Telephone Association ("ITA") filed its Petition to Vacate Certain Provisions of the Third Interim Order in Docket 86-0278. On November 1, 1994, ITA filed an Amended Petition. The ITA is an association whose membership consists of all local exchange carriers (LECs) under the Commission's jurisdiction. The ITA has represented that it has authority to represent its members in this matter.

Pursuant to notice as required by law and the rules of the Commission, hearings were held in this proceeding before a duly authorized Hearing Examiner at the Commission's offices in Chicago, Illinois on March 7, 1995 and May 16, 1995. No party has filed a petition to intervene in this matter. Prior to the March 7, 1995 hearing, Staff and ITA requested a continuance of the matter while they discussed a possible Stipulation. At the May 16, 1995 hearing, a Stipulation entered into between Staff and ITA was admitted as an exhibit and the record was marked "Heard and Taken".

ITA filed the instant petition requesting that the Commission vacate those provisions of the Commission's Third Interim Order in Docket 86-0278 that require the LEC's to install certain network interface devices ("NIDs") within ten years of the date of the September 30, 1987 Order. That Order, inter alia, contained the following ordering paragraph:

IT IS FURTHER ORDERED that Illinois LECs shall install external combination protector/demarcation interfaces for all new one and two-line customers in single tenant residence and commercial building installations made after the date of this Order and shall provide such protector/demarcation interfaces for all old installations that do not have this type of demarcation plug and jack now, within the 10 year period from the date of this Order; carriers which cannot complete this program within the 10 year period shall seek a waiver from this Commission, said waiver to set forth the reasons the LEC cannot complete the program with the ten year period.

By a letter dated August 23, 1994, from M. Al Talbott, Chief Telephone Engineer of the Public Utilities Division, to all local exchange carriers (LECs), Mr. Talbott reminded the LECs of the requirement contained in the Third Interim Order and requested that each LEC advise the Commission of the status of compliance with the third Interim Order.

In its Amended Petition, ITA states the following reasons for its request:

- (1) Wireless competition is expected as early as 1996. This wireless competition will replace the "last mile" of the LEC loop, including NIDs. ITA states that there is a great expense in replacing the NIDs without any corresponding benefit to ratepayers.
- (2) Docket 86-0278 was entered at a time when it was important to enhance customer provided equipment competition. ITA states that customers that have wanted to change equipment have already done so.
- (3) ITA states that most companies have been replacing NIDs on service orders and trouble calls at little incremental cost other than the NID itself. Remaining installations would require special trips to ratepayer premises and this is extremely expensive.
- (4) LECs have had mixed results in keeping track of where NIDs have been installed. This is because most LECs maintain customer service information using the telephone number as the key, not the location. Thus, as customers move and change numbers, the NID information is often lost or corrupted. In addition, many LECs already installed a many NIDs prior to the requirement in Docket 86-0278 and the information as to which locations have this equipment is very limited.

The ITA and Staff have come to a mutual resolution of the petition. Pursuant to a Stipulation entered into between Staff and ITA (attached to this Order as Appendix A), the Commission's 1987 order requiring the installation of combination protector/demarcation interfaces, or network interface devices (NIDs), to be completed by 1997, would be extended for a five year period to 2002. The Stipulation further provides that following the revision of the Third Interim Order, the LECs agree to file annual reports. The first LEC report would be a statistical valid survey or actual count (either one) to determine the base of customers who presently have a NID installed on their premises. Then, beginning in 1996, the base would be increased by the number of NIDs installed during the previous year as reflected in the

incremental change in the companies' NID inventory.

The Stipulation also refers to one of the requirements in The Interim Order (First Notice) in Docket 94-0049 which provides for line-side interconnection and the unbundling of "loops" and "parts" within 180 days of receiving a bona fide request. Interim Order, April 7, 1995 Appendix A, Section 790.320(a). A "loop" is defined as "the transmission path capable of transporting analog or digital signals from the network interface at a customer's premises to a distribution frame, digital signal cross-connect panel, or similar demarcation which is accessible to the interconnector." Id., Section 790.10. The Stipulation provides that a LEC subject to any final rule adopted in Docket 94-0049 receiving a bona fide request from an interconnector which states that the interconnector will purchase a "loop" or "loops" within 180 days shall install a/the NID(s) within the 180 day period.

The Commission concludes that the Stipulation serves the public interest and should be approved.

The Commission, after reviewing the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Petitioner is an association whose membership consists of all LECs under the Commission's jurisdiction and Petitioner has authority to represent its members in this matter;
- (2) the Commission has jurisdiction over Petitioner's members and the subject matter herein;
- (3) the recital of facts and the conclusions thereon law reached in the prefatory portion of this Order are supported by the record or are matters of which the Commission may take notice and are hereby adopted as findings of fact and conclusions of law.
- (4) the Stipulation entered into between Staff and Petitioner serves the public interest and should be approved.

IT IS THEREFORE ORDERED that the Stipulation entered into between the Staff of the Commission and the Illinois Telephone Association on behalf of its member local exchange carriers be, and is hereby approved in its entirety in accordance with Stipulation attached hereto and made part hereof as Appendix A.

IT IS FURTHER ORDERED that the Commission's Third Interim Order in Docket 86-0278, dated September 30, 1987, requiring the installation of combination protector/demarcation interfaces, or

network interface devices (NIDs), to be completed by 1997 is extended for a five year period to 2002. The LECs shall file annual reports. The first LEC report shall be a statistical valid survey or actual count (either one) to determine the base of customers. who presently have a NID installed on their premises. Then, beginning in 1996, the base shall be increased by the number of NIDs installed during the previous year as reflected in the incremental change in the companies' NID inventory.

IT IS FURTHER ORDERED that LEC receiving a bona fide request from an interconnector in accordance with the provisions of any final rule adopted by the Commission in Docket 94-0049, which states that the interconnector will purchase a "loop or "loops" within 180 days of the date of the request shall install a/the NID(s) within the 180 day period.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code 200.880, this Order is not final and is not subject to the Administrative Review Law.

By Order of the Commission this 6th day of July, 1995.

(SIGNED) DAN MILLER

Chairman

(S E A L)

APPENDIX A

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

ILLINOIS TELEPHONE ASSOCIATION :  
: 94-0431  
Petition to Vacate Certain :  
Provision of the Third Interim :  
Order in Docket 86-0278 :

STIPULATION

The Illinois Telephone Association (ITA) and the Staff of the Illinois Commerce Commission (Staff) hereby stipulate to the following:

1. On September 30, 1987, the Commission issued the Third Interim Order in Docket 86-0278, Illinois Commerce Commission, On Its Own Motion, Procedure for implementing the detariffing of the installation and maintenance of simple as well as complex inside wiring and the transfer of ownership, from the books of each of the local exchange telecommunications carriers in the State of Illinois. Among others, the Commission entered the following order:

IT IS FURTHER ORDERED that Illinois LECs shall install external combination protector/demarcation interfaces for all new one and two-line customers in single tenant residence and commercial building installations made after the date of this Order and shall provide such protector/demarcation interfaces for all old installations that do not have any type of demarcation plug and jack now, within a 10 year period from the date of this Order; carriers which cannot complete this program within the 10 year period shall seek a waiver from this Commission, said waiver to set forth the reasons the LEC cannot complete the program within the 10 year period.

2. By a letter dated August 23, 1994, from M. Al Talbott, Chief Telephone Engineer of the Public Utilities Division, to all local exchange carriers (LECs), Mr. Talbott reminded the LECs of the requirement contained in the Third Interim Order and requested that each LEC advise the Commission of the status of compliance with the Third Interim Order. If the installation program was not complete, Mr. Talbott requested a forecast from the LEC reflecting when the LEC would be in compliance with the order.

3. On October 24, 1994, the ITA initiated the present proceeding, seeking to vacate the requirement in the Third Interim Order that required installation of external combination protector/demarcation interfaces.

4. The ITA and Staff have come to a mutual resolution of the petition. The Commission's 1987 order requiring the installation of combination protector/demarcation interfaces, or network interface devices (NIDs), to be completed by 1997, would be extended for a five year period to 2002. Following the revision of the Third Interim Order, the LECs agree to file annual reports. The first LEC report would be a statistical valid survey or actual count (either one) to determine the base of customers who presently have a NID installed on their premises. Then, beginning in 1996, the base would be increased by the number of NIDs installed during the previous year as reflected in the incremental change in the companies' NID inventory. The Interim Order (First Notice) in Docket 94-0049, Illinois Commerce Commission, On Its Own Motion, Adoption of rules on line-side interconnection and reciprocal

interconnection, provides for line-side interconnection and the unbundling of "loops" and "parts" within 180 days of receiving a bona fide request. Interim Order, April 7, 1995, Appendix A, Section 790.320(a). A "loop" is defined as "the transmission path capable of transporting analog or digital signals from the network interface at a customer's premises to a distribution frame, digital signal cross-connect panel, or similar demarcation which is accessible to the interconnector." Emphasis added. Id., Section 790.10. A LEC subject to any final rule adopted in Docket 94-0049 receiving a bona fide request from an interconnector which states that the interconnector will purchase a "loop" or "loops" within 180 days shall install a/the NID(s) within the 180 day period.

The ITA and Staff agree to seek entry of an order by the Commission consistent with this agreement. The ITA and Staff agree that any order entered by the Commission shall contain the following ordering paragraph:

IT IS THEREFORE ORDERED that the Commission's Third Interim Order in Docket 86-0278, dated September 30, 1987, requiring the installation of combination protector/demarcation interfaces, or network interface devices (NIDs), to be completed by 1997 is extended for a five year period to 2002. The LECs shall file annual reports. The first LEC report shall be a statistical valid survey or actual count (either one) to determine the base of customers who presently have a NID installed on their premises. Then, beginning in 1996, the base shall be increased by the number of NIDs installed during the previous year as reflected in the incremental change in the companies' NID inventory.

IT IS FURTHER ORDERED that a LEC receiving a bona fide request from an interconnector in accordance with the provisions of any final rule adopted by the Commission in Docket 94-0049, which states that the interconnector will purchase a "loop" or "loops" within 180

days of the date of the request shall install a/the  
NID(s) within the 180 day period.

5. If this stipulation is not approved by the Commission in  
its entirety, the parties shall be free to pursue their respective  
positions and shall not be bound by the terms of the stipulation.

6. The ITA represents it has authority to enter into this  
stipulation on behalf of its members.

Dated this 1<sup>st</sup> day of May, 1995.

THE ILLINOIS TELEPHONE ASSOCIATION

By:

its

John F. Sharp  
Executive Vice President

THE STAFF OF THE ILLINOIS COMMERCE COMMISSION

By:

its

Paul J. Walter  
Attorney

**SERVICE LIST**  
**ICC DOCKET NO. 00-0596**

Michael Wallace  
Administrative Law Judge  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

Judith D. Argentieri  
Legal & External Affairs  
804 West University  
Champaign, Illinois 61820

Katherine E. Barker  
Attorney  
1200 19<sup>th</sup> Street NW  
Suite 500  
Washington, DC 20036

Scott Bohler  
Manager  
2378 Wilshire Boulevard  
Mound, MN 55364

Sean R. Brady  
Office of General Counsel  
Illinois Commerce Commission  
160 North La Salle Street  
C-800  
Chicago, Illinois 60601-3104

Craig Brown  
Assistant General Counsel  
6933 South Revere Parkway  
Englewood, CO 80112

Nada Carrigan  
Vice President  
913 South 6<sup>th</sup> Street  
3<sup>rd</sup> Floor  
Springfield, Illinois 62703

Lee Ann Conti  
Associate General Counsel  
1000 Internationale Parkway  
Woodridge, Illinois 60517

Karen Coppa  
City of Chicago  
30 North La Salle Street  
Suite 900  
Chicago, Illinois 60602-2580

Matt C. Deering  
Attorney  
Meyer, Capel, a Prof. Corporation  
306 West Church Street  
P. O. Box 6750  
Champaign, Illinois 61826-6750

Joseph E. Donovan  
Attorney  
O'Keefe, Ashenden Lyons & Ward  
30 North La Salle Street  
Suite 4100  
Chicago, Illinois 60602

Douglas A. Dougherty  
Illinois Telecom. Assoc. Inc.  
P. O. Box 730  
Springfield, Illinois 62705

Troy A. Fodor  
Attorney  
Troy A. Fodor, P.C.  
913 South Sixth Street  
Springfield, Illinois 62703

John Gomoll  
AT&T

222 West Adams  
Floor 15  
Chicago, Illinois 60606

Michael Guerra  
Attorney  
Sonnenschein Nath & Rosenthal  
233 South Wacker Drive  
Chicago, Illinois 60606

William A. Haas  
McLeodUSA Telecom.  
6400 C Street SW  
P. O. Box 3177  
Cedar Rapids, IA 52406-3177

Cheryl Hamill  
AT&T  
222 West Adams Street  
Suite 1500  
Chicago, Illinois 60606

Elizabeth Howland  
Allegiance Telecom.  
1950 Stemmons Freeway  
Dallas, TX 75207-3118

Henry T. Kelly  
Attorney  
O'Keefe, Ashenden, Lyons & Ward  
30 North La Salle Street  
Suite 4100  
Chicago, Illinois 60602

Margaret T. Kelly  
Illinois Commerce Commission  
160 North La Salle Street  
9<sup>th</sup> Floor  
Chicago, Illinois 60601-3104

Mark A. Kerber  
Counsel  
Illinois Bell Telephone Company  
225 West Randolph Street  
25D  
Chicago, Illinois 60606

Ross E. Kimbarovsky  
Attorney  
Hopkins & Sutter  
Three First National Plaza  
Suite 4100  
Chicago, Illinois 60601

Latirce Kirkland  
Attorney  
Schiff Hardin & Waite  
233 South Wacker  
6600 Sears Tower  
Chicago, Illinois 60602

Clyde Kurlander  
Attorney  
Three First National Plaza  
Suite 2375  
Chicago, Illinois 60602

Julie B. Lucas  
Legal Counsel  
Citizens Utility Board  
208 South La Salle Street  
Suite 1760  
Chicago, Illinois 60604

Owen E. MacBride  
Attorney  
Schiff Hardin & Waite  
6600 Sears Tower  
Chicago, Illinois 60606

Samuel S. Mc Clerren

Case Manager  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

David W. McGann  
Vice President  
1701 Golf Road  
Tower 2  
5<sup>th</sup> Floor  
Rolling Meadows, Illinois 60008

Marcus Y. Milam  
Legal & External Affairs  
651 Gateway Boulevard  
Suite 1500  
South San Francisco, CA 94080

Dennis K. Muncy  
Attorney  
Meyer, Capel A. Prof. Corp.  
306 West Church Street  
P. O. Box 6750  
Champaign, Illinois 61826-6750

Joseph D. Murphy  
Attorney  
Meyer, Capel A. Prof. Corp.  
306 West Church Street  
P. O. Box 6750  
Champaign, Illinois 61826-6750

Julie Musselman  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

Nora A. Naughton  
Office of General Counsel  
Illinois Commerce Commission  
160 North La Salle Street

C-800  
Chicago, Illinois 60601-3104

Jack A. Pace  
City of Chicago  
30 North La Salle Street  
Suite 900  
Chicago, Illinois 60602-2580

Patrick Phipps  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

Carol P. Pomponio  
Manager  
Concourse Level  
303 East Wacker  
Chicago, Illinois 60601

Conrad Reddick  
City of Chicago  
30 North La Salle Street  
Suite 1040  
Chicago, Illinois 60602

John E. Rooney  
Attorney  
Sonnenschein, Nath & Rosenthal  
233 South Wacker Drive  
Chicago, Illinois 60606

Thomas Rowland  
Attorney  
Rowland & Moore  
77 West Wacker Drive  
Suite 4600  
Chicago, Illinois 60601

David O. Rudd

Director  
625 South Second Street  
Suite 103-D  
Springfield, Illinois 62704

Kevin Saville  
2378 Wilshire Boulevard  
Mound, MN 55364

Kenneth A. Schiffman  
8140 Ward Parkway  
5E  
Kansas City, MO 64114

Kristen Smoot  
350 North Orleans Street  
Suite 600  
Chicago, Illinois 60654

Darrell Townsley  
205 North Michigan Avenue  
11<sup>th</sup> Floor  
Chicago, Illinois 60601

A. Randall Vogelzang  
600 Hidden Ridge  
Irving, TX 75038

John F. Ward Jr.  
Attorney  
O'Keefe, Ashenden, Lyons & Ward  
30 North La Salle Street  
Suite 4100  
Chicago, Illinois 60602

Nancy Wells  
AT&T  
913 South Sixth Street  
Floor 3  
Springfield, Illinois 62703



